

### **Abstract**

A system and method for settling trades in a digital merchant exchange includes a buyer, a seller, a transaction agent, a network and a capital pool. The buyer and seller communicate through the network to agree on a contract. When the goods are received or the services are performed, the buyer issues a negotiable instrument that is received by the transaction agent. The transaction agent communicates with the buyer, seller, and capital pool through the network and facilitates the settlement of the trade. The system may call upon the capital pool to provide liquidity so that the system can issue payment to the seller at a time prior to the maturity date of the negotiable instrument.

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